

RELIABLE
RESPONSIVE
RESILIENT

ANNUAL 2021 REPORT



A Touchstone Energy® Cooperative 



RESPONSIVE

Because we are owned by the people we serve, Farmers RECC has a unique accountability to our members. Throughout our history, it has been our duty to respond and adapt quickly to new and changing circumstances.

Every generation brings its own unique set of challenges, from equipment shortages during World War II to costly regulations in recent decades. Through it all, Farmers RECC has worked with fellow cooperatives across Kentucky and the nation to advocate for at-cost and reliable electric service for you.

The last few years have been full of challenges. And in this annual report, we would like to share a few examples of how your electric cooperative is responsive to those needs with the best interests of our local communities always top of mind.

At our core, Farmers RECC is responsive to members we serve because we are led by fellow co-op members. Every member of the Farmers RECC Board of Directors is a member of this co-op, democratically elected by the membership to represent the interests of all members, not special interests or outside agendas. Your electric cooperative board members are your neighbors, not some corporate or activist types who live hundreds or thousands of miles away.

We are proud of our board and grateful for their service. In addition to their supervision and guidance, Farmers RECC board members receive important education and training, so they are prepared to deal with the complex world of electric service.

From ice to tornadoes, 2021 was one of the most challenging weather years in Kentucky history.

Farmers RECC was responsive to these challenges.

After winter storms made their way through eastern Kentucky in February 2021, Farmers RECC crews provided mutual aid to our sister cooperative, Big Sandy RECC. We were very fortunate to avoid catastrophic ice accumulations locally. However, we have been in their shoes before, and we knew how much assistance from neighboring cooperatives can help. In December, when tornadoes damaged our service territory, our crews were ready and restored service to our members efficiently and safely.

Of course, these natural disasters came amid the second year of COVID-19. Though everyone was ready for the end of the pandemic, it was the responsibility of Farmers RECC to both comply with laws and regulations and protect the health and safety of employees and members.

We know from our safety culture that complacency is a threat, so while our team worked to preserve member access to Farmers RECC, we also remained intentional about following safety protocols.

Being responsive to this crisis also means addressing its economic implications. While maintaining the financial stability of Farmers RECC, our board and staff have continued to work with members who face financial uncertainty, connecting them with resources and helping them stay current on their bill rather than racking up large balances.

Following the cooperative principle of “Concern for Community,” Farmers RECC and our employees continue to support our members and their charitable efforts.

- In 2021, Farmers RECC donated \$7,000 to local schools backpack programs and food insecurity programs. Our employees also donated a truck load of food to the

■ Cover, Line Foreman Brian Caswell, at the controls, Apprentice Lineman Isaac Jones, left, and Lineman Tyler Bratcher load a pole before traveling to the job site.

■ Opposite top, Member Service Representative Pam Harper assists a new member with an application at the Glasgow headquarters.

■ Opposite bottom, Line Foreman Brian Caswell preparing to do a job briefing before starting work at the job site. Photos: Joe Imel



Farmers RECC
was built by,
belongs to and is
led by people in the
communities we
serve.





Community Relief Food Pantry and \$1,800 to the Temple Hill Elementary Family Resource and Youth Service Center to assist with providing Christmas gifts to local families in need.

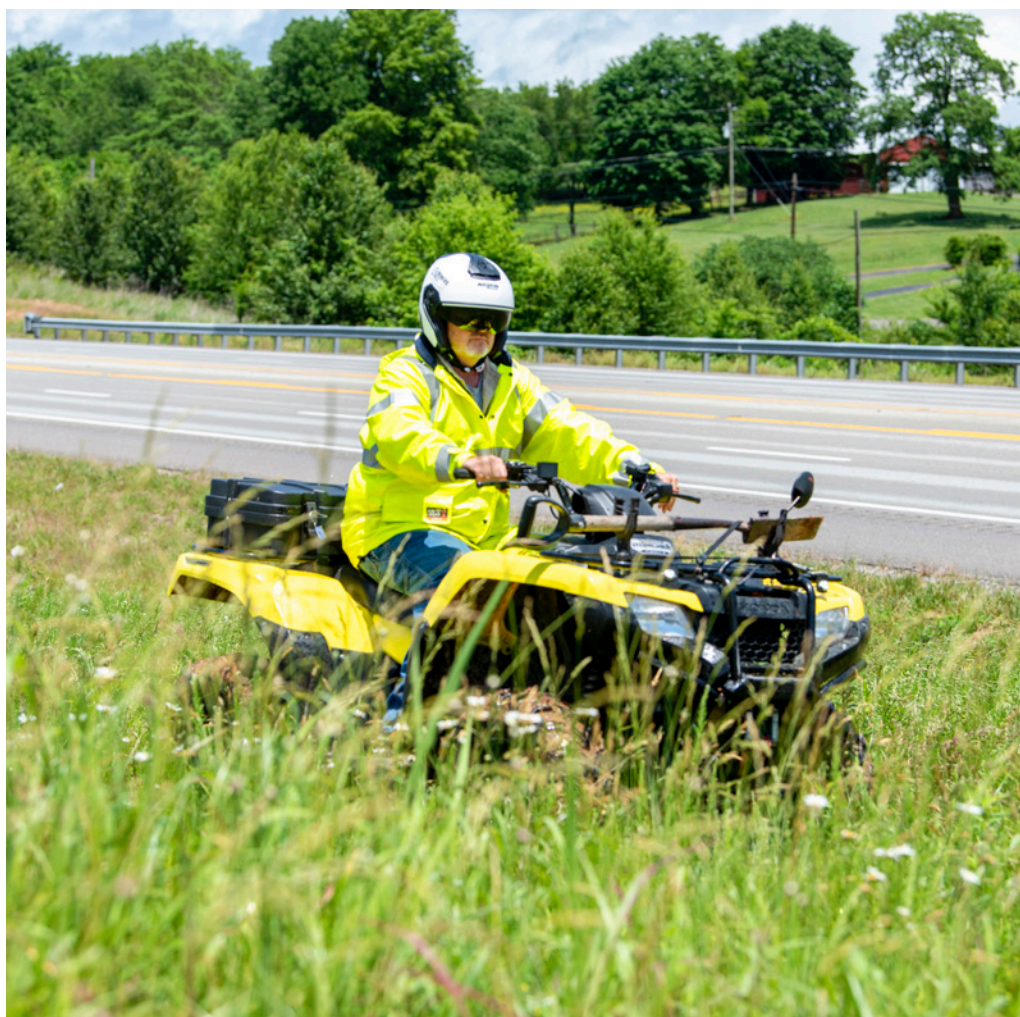
- In 2021, Farmers RECC provided \$8,000 in scholarships for local students.
- Sponsoring students in the Kentucky Electric Cooperative Youth Tour experience.

In partnership with East Kentucky Power Cooperatives, Farmers RECC is responsive to the needs of local businesses and works to attract new employers. With some of the most competitive electric rates in the country and our

record of reliability and resilience, we have a great story to tell.

We are grateful to the people who built Farmers RECC in 1938 and everyone who has contributed to the stewardship of our co-op ever since. They all were responsive to the challenges and opportunities they faced. We are also grateful to the members we serve in eleven counties in south-central Kentucky. You are the reason we exist, and we pledge to be responsive, reliable and resilient as we work to serve you and these communities we all call home.

Thank you for letting Farmers RECC serve you, and feel free to reach out to us anytime you have a question.



■ Above, Apprentice Lineman Isaac Jones works at a job site.

■ Right, System Inspector John Austin inspects our lines, poles and equipment for any problems that may cause power outages. Photos: Joe Imel



Bill Prather
President and CEO



Paul C. Hawkins
Chairman,
Director District II



Ronnie Smith
Vice Chairman,
Director District III



Randy London
Secretary-Treasurer,
Director District I



Randy Sexton
Director District III



C.F. Martin Jr.
Director District II



Brandi Williams
Director District I



Cornelius Faulkner
Director District I



Woodford Gardner
Attorney

ANNUAL MEETING OF MEMBERS OF FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

When: Thursday, July 7

Where: Cave City Convention Center

Registration: 5:30 p.m.–7 p.m.

Business Meeting: 7 p.m.

The annual membership meeting of this co-op organizes to take action on the following matters:

- | | |
|---|--|
| 1. Call to Order | 7. Treasurer's Report |
| 2. Invocation | 8. Nominating Committee Report |
| 3. National Anthem and Pledge of Allegiance | 9. Announcement of Board of Directors Election Results |
| 4. Management Report | 10. Adjournment |
| 5. Notices and Proofs of Mailing | 11. Scholarship Drawing and Member Prize Drawing |
| 6. Approval of the Minutes | |

AGENDA

2021

FARMERS RECC

ACTIVE ACCOUNTS

As of December 31, 2021

Adair.....	138
Barren.....	14,502
Edmonson.....	161
Grayson.....	420
Green.....	191
Hardin.....	3
Hart.....	6,701
Larue.....	55
Metcalfe.....	4,047
Monroe.....	16
Warren.....	20
Total.....	26,254

ACCOUNTS BILLED

2021..... 26,254

AVERAGE KWH USAGE

(residential per month)

2021..... 1,081

MILES OF LINE

2021..... 3,725

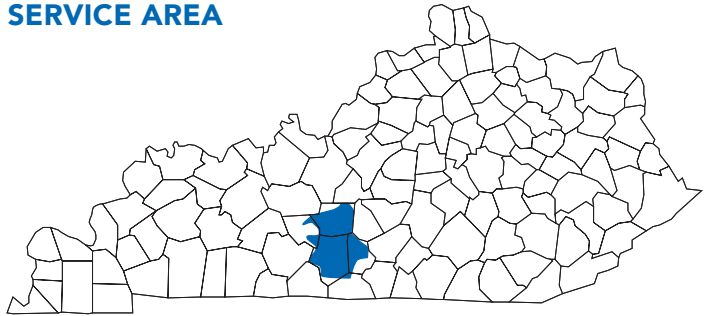
CONSUMERS PER MILE

2021..... 7

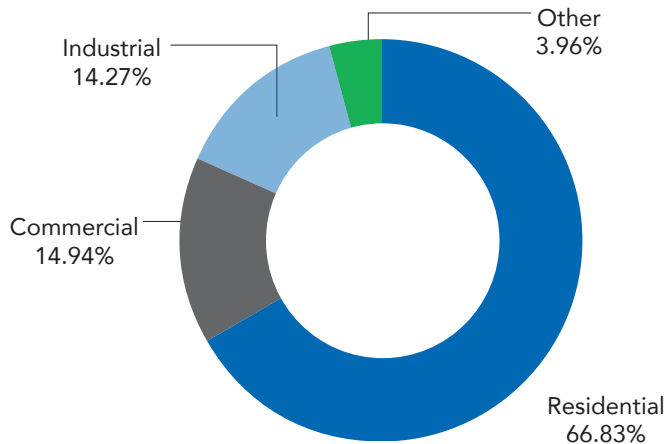
FOR INFORMATION AND INQUIRIES

504 South Broadway Street
Glasgow, KY 42141
(270) 651-2191
www.farmersrecc.com

SERVICE AREA



REVENUE SOURCES



WE CLEAR CERTAIN AREAS IN OUR SERVICE TERRITORY, KNOWN AS RIGHTS-OF-WAY, TO:

- Keep power lines clear of tree limbs
- Restore power outages more quickly
- Reduce unexpected costs for repairs
- Keep you safe



Maintaining rights-of-way improves service reliability for you—our members!

YEAR IN REVIEW

FARMERS RECC

STATEMENT OF OPERATIONS

As of December 31, 2021

Operating Revenue\$51,905,892

OPERATING EXPENSE

Purchased Power\$36,452,749
Operating System.....8,641,312
Depreciation.....3,554,644
Taxes.....902,477
Interest on Loans1,555,037
Other Deductions.....69,526
Total Cost of Electric Service\$51,175,745

Operating Margins\$730,147
Non-Operating Margins1,218,130
G & T Capital Credits456,825
Other Capital Credits129,796
Patronage Capital and Margins.....\$2,534,898

Farmers RECC was audited by Campbell, Myers & Rutledge, PLLC

BALANCE SHEET

As of December 31, 2021

ASSETS

Total Utility Plant.....\$109,947,421
Less Depreciation33,927,052
Net Utility Plant\$76,020,369

Investments in Associate Organization.....\$38,537,672
Cash.....1,023,094
Accounts and Notes Receivable.....3,960,281
Inventory.....1,116,400
Prepaid Expenses231,207
Deferred Debits and Other Assets2,868,750

Total Assets \$123,757,773

LIABILITIES & EQUITY

Consumer Deposits.....\$1,046,387
Membership and Other Equities52,483,179
Long-Term Debt62,950,190
Notes and Accounts Payable4,791,642
Other Current Liabilities2,486,375

Total Liabilities & Equity..... \$123,757,773

FARMERS PROPANE PLUS

STATEMENT OF OPERATIONS

As of December 31, 2021

OPERATING REVENUE\$3,811,801

OPERATING EXPENSE

Cost of Goods Sold\$1,846,777
Operating Expenses.....1,459,355
Depreciation.....176,428

Net Income \$329,241

Farmers Propane Plus was audited by Campbell, Myers & Rutledge, PLLC

BALANCE SHEET

As of December 31, 2021

ASSETS

Cash.....\$219,234
Accounts Receivable (Net)168,663
Inventory.....218,088
Prepayments.....71,974
Goodwill458,052
Investment in Associated Organizations29,828
Utility Plant (Net).....1,479,375

Total Assets \$2,645,214

LIABILITIES & EQUITY

Current Liabilities.....\$65,337
Long-Term Debt154,888
Equity\$2,424,989

Total Liabilities & Equity \$2,645,214

2022

OFFICIAL NOTICE

FARMERS RECC ANNUAL MEETING

WADE HARRIS

THURSDAY, JULY 7 • 5:30–8 P.M.

CAVE CITY CONVENTION CENTER

502 Mammoth Cave St., Cave City, KY
Entertainment by Rockland Road begins at 6 p.m.
Annual business meeting begins at 7 p.m.

DRAWINGS
FOR
**CASH
PRIZES!**

Watch virtually by registering online
at www.farmersrecc.com/annualmeeting



- FREE bucket and energy-saving LED bulb
- Scholarship drawing
- Ten \$100 gift cards
- Electric vehicle display
- Rockland Road begins at 6 p.m.
- T.J. Samson wellness checks



CODY PEAVY

Entertainment featuring Rockland Road



A Touchstone Energy® Cooperative 